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## ARGENTINE COMMERCE WITH THE UNITED STATES AND EUROPE

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Since 1818, when Henry Clay asserted that Spanish America would, in the course of time, necessarily be animated by Pan-American sentiments, the idea has been agitated more or less constantly in this country, of uniting the different nations of this hemisphere in one great federation of commercial interests. However, the results thus far accomplished by the different Pan-American Congresses have not been great. Indeed, the well-known English journalist, Mr. William T. Stead, stated merely an unpleasant truth when after visiting the different American countries he said, last year, that few parts of the world had been less Americanized than South America. Mr. Stead's dictum is, of course, too positive and overlooks the work done in these last years by the Philadelphia Commercial Museum and numerous other agencies.

The closer geographical connection with the tropical zone of South America has caused the people of the United States to exaggerate the unlikeness of productions of North and South America. No portion of Argentina is within the tropical zone. Argentina's latitude is similar to that of the United States. If the surface of the earth could be folded over the equator and the southern hemisphere laid upon the northern, Argentina would extend from Texas to the Northwestern Territory, in Canada. From this fact, it may be inferred that the agricultural conditions of my country are very similar to those of the United States. The Mississippi valley has its counterpart in the La Plata valley, where cereals are the staple of production; the boundless plains are repeated in the fertile pampas, where large herds of Durham and Hereford cattle and flocks of Lincoln and merino sheep are fed with the rich natural pastures; the cotton region is represented by the Paraná delta, the climate of which resembles that of Georgia, Mississippi and Arkansas. Sugar-cane is raised in Santiago, Tucumán and Chaco as in Florida. The same

tobacco which has been grown in Maryland and Virginia has prospered under cultivation in Misiones. The attempts to establish coffee plantations in Texas and Florida were followed by similar and fairly successful experiments in Tucumán and Jujuy. The vineyards of California are repeated in the Andes, where they cross the provinces of Mendoza and San Juan. The primeval forests of the northern states are recognized in the entangled woods of Tierra del Fuego, in the southern extremity of the continent. Wheat culture is a success in the more northern regions of the United States and in the southernmost part of Patagonia.

The statement is frequently made that social and commercial intercourse between our two countries is obstructed by lack of transportation facilities. I believe, however, that this is not stating the case correctly. A cause is taken for an effect. I am sure it will be evident to you from the imperfect outline I have given of the geographical and agricultural characteristics of Argentina, that the reason for the lack of transportation must be sought for in the lack of adequate stimulus to commercial intercourse. The most important factor in promoting trade is unlikeness of production between countries. This fact is now as well established in social dynamics as the principle of repulsion between electricities of the same kind is in physical science. It has been suggested that our relations could never become those of rival concerns in competition for the same market. The real facts, however, tell a different story and are worthy of careful consideration.

In Argentina, as in the United States, those industries are most energetically developed which are most necessary to material life. We are bread producers, meat producers and wool producers. Wool is our great export staple. Our annual output of wool is about 230,000 tons. Argentina is the largest wool producer in the world. Fifty years ago the sheep-raising was neglected by the majority of stockmen. Our flocks consisted almost exclusively of native *criollo* breed. With the increasing demand for wool there began to be an increasing interest in the sheep industry and soon the new departure became a most profitable branch of agricultural enterprise. The first care was to produce a better quality of stock. The merino sheep was imported and its blood mixed with that of the *criollos*. As a result, the quality of wool was wonderfully improved. In 1870, Europe's demand for meat began to grow and many stockmen of Argentina

began to convert the merino sheep into mutton, cross-breed types approaching the Down. Argentina was favored by its geographical location. Being nearer to Europe than Australia, the Argentine sheep industry received marked encouragement. The traffic was still further promoted by the construction of the harbor of Buenos Aires, which cost forty-nine million dollars and is second in importance in the whole western hemisphere. The commercial intercourse with Europe was a great boon to stock raisers. At present the large part of the Argentine sheep are of English and merino breeds. This fact is not sufficiently known in the United States, because this country, until 1897 when the Dingley bill was passed, has been the sole buyer of the coarse wool, grown of the remnant of the old *criollo* breed.

The real importance of the Argentine sheep industry will be still better understood when the weight of this somewhat startling fact is appreciated. There was a time when Australia was the first sheep country in the world; but we have left her so far behind us, that at the present we have as many sheep as Australia and the United States together.

In consequence of the development of our sheep and cattle industry, Argentina has been raised to a prominent place in the meat trade. The total export of Argentina has reached 500 million pounds, or as much as Australia and New Zealand furnish together. And yet, these 500 million pounds represent only a fifth of what we could supply without touching the stock representing our capital in this industry. This latter point is of no small importance. All other meat-producing countries, the United States not excepted, are decreasing their exports. As a result, we expect to be the largest meat producers in the world before very long, occupying the first place there as we already do in wool production. Our dairy industry is comparatively young; but already there has been an increase of 375 per cent since it was established.

In farming and particularly wheat-growing, the progress has been equally wonderful. The most improved threshing machines are now to be seen in the centre of Patagonia, the *terra incognita* which literature knows only as the scene of predatory incursions of Indians. The La Plata valley is an extensive and favored agricultural region without a rival in fertility and in capacity for breeding cattle. Here are boundless alluvial plains where the plow can be driven four

hundred miles without striking a stump or a stone. Here is a land of promise for wheat production, where labor is richly repaid. Alfalfa grows exceedingly well, and since we have discovered this fact, we have placed ourselves in possession of the largest alfalfa plantations in the world, thereby increasing the capacity of the land for supporting cattle.

It is evident that all this abundance of raw material produced in Argentina cannot be marketed in the United States. Sixty per cent of the Argentine exports goes to Europe. Last year, out of twenty-four thousand three hundred and thirteen ships which served as vehicles of our commerce with the world, only three hundred and fourteen were American—certainly not a very gratifying showing of trade relations between our two republics.

We have a mutually advantageous intercourse with European countries. Our products are in more demand in Europe than here. We are therefore offered in Europe greater advantages for the sale of our products than in the United States. Our textile fibres and hides are entered free of duty in France, Germany, Belgium and Italy. Argentina has become a commercial annex of Europe. The acquisition of our trade has often become a political factor. During the Anglo-Boer war our meats were preferred to those of Australia in the English markets. The last European crisis in the wool trade was decidedly influenced by the Argentine output. This state of things is well understood in Europe. Quite recently, M. de Villate said in the *Revue de Paris* that for many years the stream of South-American commerce will continue to flow Europewards in spite of all efforts made by the United States to divert it. The Argentine Republic will become, ere long, a close competitor of the United States in the European markets. In Argentina the good lands are cheaper, the soil more fertile and, speaking generally, we enjoy a more equable climate than the United States. Of course we are at a disadvantage as regards distance from the European countries. We are compelled, therefore, to promote intercourse by commercial treaties with those countries, affording protection to their imports. This is the most vital problem that will engage our energies in the future. It is true that the actual population of my country is not sufficiently large to compel trade with us by reprisal; but the immigration is growing year by year, owing to the inducements my country offers to those who are willing to work. The population of

Argentina is growing so rapidly that we have reason to feel hopeful that in the future we shall be regarded by Europe as an important buyer whose friendship is worth cultivating. The new condition will supply the weapon of commercial politics.

The growth of Argentina's industry has been so rapid, and in a measure so unexpected, that it found the country unprepared to make the most of it. For instance, when the sheep industry began to develop there was built an immense house, covering an area equivalent to nine square blocks of New York City. It was thought that this space would be more than sufficient for the necessities of the future. But it had scarcely been completed when it was found too small, and another building had to be planned. A few years ago we imported wheat from Chile. Now we have reached the fifth place as a wheat-exporting country. Again, we were not prepared for this sudden expansion. Until quite recently we had no grain elevators. As a result, we expend millions of dollars for coarse cloth to make bags for the purpose of shipping the grain. Under favorable conditions this demand for bags might have supplied a new field for our textile industry; but our unpreparedness turned the advantages of the situation over to others and we are under the necessity of importing annually enough coarse cloth to wind four times around the earth. Moreover, thousands upon thousands of bags of threshed wheat are very often spoiled by the rains, because of the blockade in transportation and the lack of sufficient tarpaulin to protect them. The waste is enormous, for we do not have enough hogs to fatten with this spoiled material. We furnish an example of what Herbert Spencer calls the "multiplication of effects," that is, the passage from the homogeneous to the heterogeneous as a necessary stage of progress. Before the state of equilibrium arrives for Argentina, many new fields are to be opened to industry.

A great part of the progress we have accomplished and are about to make has been made possible by European capital. Thus, it is estimated that fifteen hundred million dollars of British capital is invested in Argentina. Other nations have many millions deposited in our banks, in national bonds, railways and many industrial undertakings. America's contribution is very small.

Until 1897 the Argentine wool and cowhides entered in this country free of duty; but after the Dingley bill became a law, these products had to pay the regular tariff. Argentina has always

earnestly desired a better understanding with the United States; but the attitude of the American government has been disappointing to us. If the bars were let down, we might do more business with this country. But it is doubtful whether the present state of affairs will be changed in the immediate future. It may be safe to assert, however, that the policy of the United States will have a salutary effect upon the evolution of the sheep-breed industry of Argentina. If our *criollo* wool is no longer purchased in large amounts as in the past, we shall let the remnant of the *criollo* stock-bred turn into merino, and thereby fit our wool production for the wants of the French market, which is looking for finer fleeces.

In view of the conditions described, it seems as though our national destinies would keep our two republics separated in commercial life. But I am also firmly convinced that a complete divorce would be fatal to many of the institutions of my country that are now in process of development. To state the case paradoxically, the more separated Argentina may feel herself to be from the United States, the more closely she ought to be allied with this country. We have the raw material for the genius of the United States to work upon. Here Argentina has much to learn of you. She must learn how to promote development and rapidly meet new conditions to utilize her wonderful natural resources. The Argentine awakening is a new result in the series of events set afoot on the day of the declaration of American independence. We share with you the honor of possessing the constitution which Jefferson and his compeers created. Our people have received part of the heritage left to America by Horace Mann.

No institution is better fitted for the building up of a great republic than the American public school. It develops individual powers and awakens the sense of moral responsibility, in a way no other institution does or can. Argentina may well study and follow the progress made in this particular field of America's wonderful activity.

Even though the United States cannot be a commercial friend of Argentina, it will, nevertheless, be a model for the development of a new race in the southern extremity of this continent.